
Minutes of the meeting of the Audit, Governance and Standards Committee, held in the Council Chamber, County Hall, Chelmsford on Monday 27 June 2022

[A YouTube recording of the meeting is to be found online.](#)

Present:

Members of the Committee:

Councillor A Hedley	Chairman
Councillor S Barker	
Councillor M Platt	
Councillor A McQuiggan	
Councillor L Shaw	
Councillor C Siddall	
Mr Atta Ul-Haque	Independent Member appointed to the Committee

ECC Officers:

Paula Clowes	Head of Assurance
Christine Golding	Chief Accountant
Stephanie Mitchener	Director, Finance
Paul Turner	Director, Legal and Assurance (Monitoring Officer)
Sophie Crane	Senior Democratic Services Officer
Judith Dignum	Democratic Services Officer
Michael Hayes	Democratic Services Assistant

Welcome and Introduction

Councillor Hedley, the Chairman of the Audit, Governance and Standards Committee, welcomed those in attendance.

1. Membership, Apologies, Substitutions and Declarations of Interest

The report of Membership, Apologies and Declarations was received, and it was noted that:

1. The membership of the Audit, Governance and Standards Committee was as shown in the report.
2. Apologies had been received from Councillors King, Hoy, McKenzie and McGurran. It was noted that Cllr McGurran would join the meeting online via Zoom and therefore would not be able to participate in any vote.
3. No declarations of interests were made.

The Chairman, Councillor Hedley, reminded members that any interests must be declared during the meeting if the need to do so arose.

2. Minutes and Matters Arising

The minutes of the meeting held on Monday 21 March were approved as a correct record and there were no matters arising.

3. Update on the 2021-22 Accounts and External Audit

Christine Golding, Chief Accountant introduced the report on the current position regarding the accounts and audit.

Members expressed frustration at the external audit delays and in particular concern over the continued costs to the Council of maintaining legacy financial systems until the audit can be closed.

It was agreed that clarification would be sought from the external auditors BDO regarding the reasons for the proposed late August start date for the Audit of the Essex Pension Fund's financial statements.

Resolved

That the Committee noted the reasons why publication of the draft Statement of Accounts for 2021/22 has been delayed, and the updated arrangements for publication of those accounts.

That the Committee noted the present uncertainties surrounding the external audits for 2020/21 and 2021/22.

4. Disaster Recovery Audit Progress Update

Melanie Hogger, Director of Technology Services and Mark Newman, Head of Technology and Architecture presented an update to the committee on the three Major and three Moderate recommendations from the 2021 'Limited Assurance' IT Disaster recover Audit, two of which had already been completed. The ongoing Cloud migration of formerly onsite services has had a significant impact on resilience and this migration was due to be completed by 31 May 2023. The service was due to be audited again in 2022 and aimed to achieve 'good assurance' by 2023.

Resolved

That the Committee noted the information provided.

5. Update on Audit Recommendations on Personal Budgets, Families (Direct Payments)

Gaye Cole, Director of Local Delivery presented an update regarding an outstanding audit recommendation on the monitoring and review of Direct Payment spending (Children and Families Service). It was noted that there were a variety of forms of monitoring already in place to give the service assurance that an individual child's needs were being met. There were plans in place to extend this to include cases where the social worker was currently unable to review all receipts relating to direct payment spend. This process would be audited again during the 2022/23 financial year.

Resolved

That the Committee noted the information provided.

6. Internal Audit and Counter Fraud Annual Report

Paula Clowes, Head of Assurance, introduced the report which included the Internal Audit and Counter Fraud Annual Report and the Chief Audit Executive's opinion on the overall adequacy and effectiveness of the organisation's internal control environment. It was noted that although the opinion remained satisfactory, there was an improved picture, in that there had been no 'no assurance' audits and 3 'limited assurance' audits compared to 10 limited assurance audits in 2020/21.

The Head of Assurance confirmed that during the 2021/22 financial year the internal audit activity had been free from interference in determining the scope of internal auditing, performing work and communicating results.

It was noted that Essex Pension Fund arrangements maintained 'good' assurance.

Resolved:

That the Committee noted the Internal Audit and Counter Fraud Annual Report and the opinion on the overall adequacy and effectiveness of the organisation's internal control environment.

7. Annual Report of the Audit, Governance and Standards Committee

Paul Turner, Director, Legal and Assurance, introduced the annual report of the committee noting the inclusion of the issues around the approval of the accounts.

It was agreed that the report should be signed off 'Chairman' rather than 'Chair'.

Resolved

That, including the agreed sign off from the Chairman, the Committee approves the Annual Report of the Audit, Governance and Standards Committee as appended to the report, for presentation to Full Council on 12 July 2022.

8. Annual Review of Member Gifts and Hospitality

Paul Turner, Director, Legal and Assurance, introduced the annual report which provided transparency on gifts and hospitality received by members and covered the previous financial year 2021/22.

The Committee noted that the rules around registration changed with effect from 1 June 2022 as a result of the Council's decision on 10 May 2022 to adopt the LGA model code of conduct. There were two main changes:

- Only gifts and hospitality over £50 are registrable (rather than £25)
- Gifts and hospitality offered but rejected will need to be registered.

Resolved

That the Committee notes the findings of the review.

9. Work Programme

The Work Programme was noted.

It was agreed that an update on the IT Disaster Recovery work should be provided to the Committee in 2023, after the next planned IT Disaster Recovery internal audit, with officers from Technology Services asked to attend.

10. Date of next and Future Meetings

The dates were noted.

Chairman